



UNIVERSITY OF MARYLAND
**AGRICULTURE LAW
EDUCATION INITIATIVE**
MPOWERING THE STATE

SAMPLE MARYLAND POULTRY HOUSE RENTAL AGREEMENT

Disclaimer: This sample is for educational purposes only and does not constitute legal advice or form a client-attorney relationship. It is important to consult a legal representative for questions about your particular farm operation and to customize the agreement to suit your needs.

1. This sample agreement is provided to aid poultry house owners and renters in preparing their own written poultry house rental agreements.
2. Complete two copies of this agreement, one for the poultry house owner and one for the renter.
3. Cross out or delete any unnecessary clauses.
4. Have both parties sign both copies.

Sample Maryland Poultry House Rental Agreement

This agreement is entered into on _____, 20____, between: Landowner(s) (hereinafter Owner): _____, whose mailing address is _____, and Renter(s) (hereinafter Renter): _____, whose mailing address is _____. The parties agree that any notice required to be given under this Agreement shall be given by registered or certified mail, return receipt requested, properly addressed and prepaid, to the addresses provided above. The parties agree that they shall promptly inform the other of any change in address.

Property Description

Owner agrees to rent to Renter, to occupy and to use exclusively for poultry production, _____(No.) clean and disinfected poultry house(s) located on property with a legal address of _____, commonly referred to as the _____Farm (hereinafter the Farm Property). This Agreement grants Renter the right to use the poultry house(s), together with the non-exclusive right to use the farm road leading to the poultry houses and parking areas and all buildings and improvements associated with the poultry houses described as _____, except _____ (hereinafter Rental Premises). This agreement shall not include the use of any of Owner's farm equipment, tools or materials unless expressly included herein. The Renter's use of the Rental Premises shall not prevent or interfere with the Owner's use of the remainder of the Farm Property.

Term of Rental Agreement

The term of this agreement shall be from the ____ day of _____, 20____, to ____ day of _____, 20____ (____ weeks), which is the estimated growing term for a flock (hereinafter Rental Term). This agreement shall continue in effect for continual ____ week Rental Terms thereafter unless written notice of termination is given by either party to the other at least 30 days prior to the expiration of this agreement. Renter shall remain liable for the payment of rent, and all other obligations hereunder, through the date of termination.

Rental Rate

The rent payable for the Rental Term shall be _____ dollars per Term. [Alternatively- The parties agree that the rental payment shall be _____% of the total amount of income earned from each Rental term. Renter agrees to provide Owner will documentation to evidence the income earned from each flock.]

The rental payment shall be due and payable on the first day of the month of the term. Any rental payment that is more than five (5) days past due shall result in the Renter paying a late fee of

_____ to the Owner. Owner shall have the right to increase the rental rate by ___% every _____ day of _____ (example January 1st) [Alternatively- Owner shall have the right to increase the rental rate by ___% after every _____ Rental Term.

Taxes

Owner shall promptly pay all real estate taxes upon the Farm Property and failure to do so is a default of this Agreement giving the Renter the right to terminate this Agreement.

Utilities and Trash Removal

Renter shall be solely responsible for all utilities, water and sewer services (reimbursing the Owner for water and sewer services) rendered or furnished to the Rental Premises including, without limitation, heat, air conditioning, gas, electricity, telephone and trash removal, together with all charges imposed upon such services.

Trade Fixtures and Equipment

All trade fixtures and apparatus owned by the Renter and installed in the Rental Premises, with the Owner's prior written consent, which consent shall not be unreasonably withheld, shall remain the property of the Renter and shall be removable at any time, including upon the expiration of the initial Rental Term and an additional term, if any, of this Agreement, provided the Renter is not at such time in default of any terms of this Agreement, and provided, that the Renter shall repair any damage to the Rental Premises caused by the removal and shall restore the Rental Premises to the condition as existed prior to the installation of fixtures.

Use and Maintenance of the Rental Premises

The Renter shall maintain the interior of the Rental Premises, shall conduct routine maintenance and shall repair any damage whatsoever caused by the Renter's negligence or fault and/or by the poultry company, including but not limited to, damage caused during load out. Owner shall maintain the exterior of the Rental Premises, shall mow the area around the Rental Premises and shall maintain the farm roads leading to the Rental Premises in a safe condition during the Rental Term. Renter shall maintain the Rental Premises in a clean and orderly manner and shall not permit undue accumulations of mortalities, waste or trash. Renter shall be solely responsible for securing the Rental Premises from theft and any thefts that occur during the Rental Term shall not be the responsibility of the Owner and Renter shall indemnify Owner from the same.

Biosecurity

The health of the flock or biosecurity issues at the farm or in the geographic region of the Rental Premises shall not affect this Agreement and shall not be grounds for the proration of rent or termination of this Agreement, unless agreed upon in writing by the parties. [Alternatively- If the onset of a biosecurity issue or flock illness makes the use of the Rental Premises

impossible, then both the Owner and Renter shall have the option to terminate this Agreement. Such option shall be exercised by the written notice to the other party within fifteen (15) days after the onset of the biosecurity issue or flock illness and the Renter's liability for the rent shall be prorated and abated during the fifteen (15) day period and thereafter.]

No Formation of Partnership

It is agreed that this Agreement does not form a partnership between Owner and Renter, and Owner shall not be or become responsible for any contracts, including, but not limited to, any contract entered into by Renter with any poultry company and/or any debts contracted by Renter.

Assignment and Sublease

Renter shall not sublease or assign any part of the Rental Premises, without the prior, express, and written consent of Owner; and if Renter does sublease the premises or part of the premises or assign this Agreement without Owner's authority, such sublease or assignment shall be void.

Modification of Agreement

Any modification of this Agreement shall only be binding upon the parties if it is in writing and signed by each party.

Right of Entry

Owner, as well as agents and employees of Owner, reserve the right to enter the Farm Property and to enter the Rental Premises at all reasonable hours for the purposes of (1) inspecting the same, and (2) to remedy defaults by the Renter in the maintenance of the Rental Premises. Owner's entry into the Rental Premises shall not interfere with Renter's poultry production.

Poultry Production/Environmental Compliance

Renter shall produce poultry according to generally accepted poultry growing practices and consistent with all applicable local, state and federal environmental laws and regulations, including but not limited to, nutrient management plans, concentrated animal feeding operation permits, water quality standards, waste disposal standards and shall bear the sole responsibility for any violations thereof. Renter shall be solely responsible for securing any permits or approvals necessary for his or her farming activities on the Farm Property. Renter shall fully indemnify and hold Owner, its agents, and assigns harmless for any environmental remediation and restoration required as a result of Renter's use of the Rental Premises as well as any penalties, fines, judgments and/or liens incurred by Renter as a result of his or her use of the Rental Premises.

Repairs and Waste

Renter agrees to prevent waste, loss, or damage to the Rental Premises and keep the property neat and orderly. Renter further agrees to keep the poultry houses and associated structures in good

repair and condition. Renter shall be solely responsible for all damage to the Rental Premises other than ordinary wear and tear.

Insurance

A. Owner shall maintain insurance on the Rental Premises insuring the same against loss or damage by fire, water and wind and all other causes included within the term “extended coverage” and “additional extended coverage”. Renter agrees that he or she will not do or permit to be done anything that would contravene the Owner’s insurance or would render it difficult, impractical or impossible to secure such insurance in companies acceptable to the Owner. Renter shall carry insurance on all contents and personal property located within the Rental Premises.

B. If the Rental Premises shall at any time during the term of this Agreement be damaged by fire, flood, tornado, the elements, unavoidable accident or any casualty (referred to as the Casualty), then the Renter shall give prompt notice to the Owner and shall direct the insurer to pay all insurance proceeds to the Owner.

(i) If the extent of the damage is such that the Renter is not prevented from conducting its business thereon, then the Owner shall, at its expense, and as promptly as reasonably possible, repair said damage and restore the Rental Premises to its condition prior the Casualty, and during the restoration and repair period, the Renter’s liability for rent shall be reduced in proportion to the extent to which the damage or repair work renders the same totally or partially unusable, as the case may be, that is, to the extent to which the damage or repair work materially interferes either totally or partially with the normal operation of the Renter’s business on the Rental Premises.

(ii) If the Rental Premises at any time during the term of the Agreement shall be destroyed or so damaged by Casualty that the Renter is prevented from using the Rental Premises for its intended purpose, then both the Owner and Renter shall have the option to terminate this Agreement. Such option shall be exercised by the written notice to the other party within fifteen (15) days after the Casualty and the Renter’s liability for the rent shall be abated during the fifteen (15) day period and thereafter.

Liability Insurance

Renter agrees to maintain at a minimum One Million Dollars (\$1,000,000) in liability insurance on the Rental Premises. Renter agrees to supply Owner with a Certificate of Insurance and give notice of all terminations of coverage. Renter will also name Owner as an additional insured on any policy on the Rental Premises.

Indemnification

Renter shall indemnify and hold Owner, its agents and assigns, harmless against any and all claims for damage or injury to persons or property arising out of or resulting from Renter’s actions or

inactions pursuant to this Agreement except to the extent that such damage is caused by the gross misconduct or negligence of the Owner.

Default

Owner shall give Renter written notice of default. It shall be deemed a default of this Agreement if the Renter:

- A. Fails to pay any rent or other sum of money due hereunder within fifteen (15) days after it is due;
- B. Fails to perform any of the terms, conditions or covenants of this Agreement to be observed or performed fifteen (15) days after written notice from the Owner of such default;
- C. Abandons the Rental Premises.

In any such events, the Owner, besides other rights or remedies it may have, shall have the immediate right to declare this Agreement terminated and enter the Rental Premises with or without legal process, remove any animals and/or property left by Renter and rent the Rental Premises to another renter.

End of Rental Term

Upon the end of the Rental Term, Renter shall be responsible for the removal of all poultry, manure, poultry related waste products, dead birds, tools, equipment, and materials related to Renter's use of the Rental Premises. Upon the end of the Rental Term, the Renter shall wash and disinfect the Rental Premises. If Renter fails to leave the Rental Premises in the condition described above at the end of the Rental Term, the Renter shall be responsible for the remediation/clean-up costs incurred by the Owner and the same shall be collectible as rent under this Agreement.

Entire Agreement

This agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall be binding upon either party except to the extent incorporated in this agreement.

Acknowledgment

The undersigned hereby acknowledge and agree to all of the terms of this Agreement.

Owner

Date

Renter

Date